



FAIRFAX COUNTY DEPARTMENT OF MANAGEMENT AND BUDGET

News Release

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April 18, 2005

Fairfax County Board of Supervisors Completes Fiscal Year 2006 Budget Mark-Up *Cuts Real Estate Tax Rate by 13 Cents Brings Four-Year Total Cut to 23 Cents*

On April 18, 2005, the Fairfax County Board of Supervisors marked up the proposed fiscal year 2006 budget, which begins on July 1, 2005. Formal adoption of the budget is scheduled to take place April 25, 2005. As a result of rising assessments, the real estate tax rate will be reduced for the fourth consecutive year. The Board cut another 13 cents from the rate, bringing the cumulative decrease to 23 cents over four years. The current rate will decrease from \$1.13 per \$100 assessed value to \$1.00 per \$100 assessed value for fiscal year 2006, which far surpasses the previous low of \$1.11 per \$100 of assessed value in fiscal year 1992. Board Chairman Gerald E. Connolly emphasized that this is the largest tax rate cut in the history of Fairfax County, the lowest tax rate in modern history, and the greatest amount of revenue returned in one year (\$232.8 million) as well as cumulatively (\$365.1 million). In addition, the Board's funding decisions reflected their commitment to achieving their strategic priorities, which are as follows:

- ♦ Strong investment in education
- ♦ Public safety and gang prevention
- ♦ Affordable housing
- ♦ Environmental protection
- ♦ Transportation improvements
- ♦ Revenue diversification to reduce the burden on the homeowner

With a real estate tax rate of \$1.00 per \$100 of assessed value, the typical household will pay \$4,447.66, an increase of \$364.59 annually or \$30.38 per month more than the fiscal year 2005 bill. This is \$578.20 less than the typical household would have paid had the Board not reduced the real estate tax rate by 13 cents. As a result of the cumulative 23-cent reduction in the tax rate, the typical household will have paid \$1,664.55 less in real estate taxes in fiscal year 2006 than they would have without the tax relief of the last four years.

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The fiscal year 2006 plan provides a balanced budget including General Fund Disbursements of \$3.0 billion, an increase of \$163.6 million or 5.7 percent over the fiscal year 2005 budget estimate. General Fund Disbursements include General Fund Direct Expenditures of \$1.1 billion, an increase of \$31.5 million or 3.0 percent over the fiscal year 2005 estimate.

The largest increase in the fiscal year 2006 budget over the fiscal year 2005 level is associated with the transfers to the Fairfax County Public Schools (FCPS). The transfers to FCPS for operations and debt service total \$1.56 billion, an increase of \$112.72 million over fiscal year 2005, which represents approximately 52 percent of the total General Fund. This is consistent with the recommendation in County Executive Anthony H. Griffin's FY 2006 Advertised Budget Plan. The increase in the transfer to the School Operating Fund is 8.24 percent, while the School Debt Service transfer is increased 2.97 percent based on the anticipated sale of \$130 million of bonds for new school construction and renewals.

Since each penny on the real estate tax rate is worth approximately \$17.9 million, cutting the real estate tax rate by another 3 cents required the Board of Supervisors to identify a total of \$53.7 million to offset that reduction. In addition to the historic real estate tax rate cut, the Board also took the bold step of earmarking the equivalent of one penny on the real estate tax rate each for stormwater management and affordable housing. Funding for stormwater management is to address a backlog of projects totaling several hundred million dollars. These projects are intended to prevent erosion and reduce stormwater run-off, which will protect property and support environmental mandates such as those associated with the Chesapeake Bay and other local waterways. Since the County Executive's proposed budget already included \$17.9 million for stormwater management, the Board's task was to identify another \$17.9 million for affordable housing, a much-needed investment in order to enable those who work in Fairfax County to live here as well. As an indication of the need, the County has lost 1,300 units that have been converted into luxury condominiums or market-rate apartments since 1997.

In addition to \$53.7 million for further tax rate cuts, the dedication of funding for affordable housing brought the total necessary to \$71.6 million. The Board of Supervisors achieved this through a combination of expenditure reductions totaling \$23.8 million from the County Executive's proposed budget and the third quarter review, as well as \$19.5 million in revenue increases largely due to the improving local economy. Furthermore, as part of their commitment to additional real estate tax relief, the Board had previously set aside \$35.8 million in fiscal year 2004 carryover balance, as well as revenue associated with increased cigarette and recordation taxes. These adjustments total \$79.1 million and are partially offset by additional funding requirements including \$4.1 million for fiscal year 2006 administrative adjustments and \$4.2 million for Board consideration items, as well as required managed reserve adjustments associated with previous reductions. Details are included in the Attachments to the FY 2006 Mark-up Motions.

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Fairfax County continues to streamline operations and achieve significant efficiencies. Since fiscal year 1991, the ratio of authorized County positions per 1,000 citizens has decreased by over 18 percent, from 13.6 per 1,000 citizens to 11.1 per 1,000 citizens. Yet more compelling is that the County's population will have grown by 232,315, or more than 28 percent between fiscal years 1991 and 2006, while staffing has increased by approximately 3 percent. During this same period, over 170 new facilities were opened or expanded, including fire stations, libraries, School Age Child Care (SACC) Centers and senior centers, as well as many other types of direct service facilities.

Information on the fiscal year 2006 Budget Plan, including revisions made during the April 18, 2005 Budget Mark-up session, is available by calling the Department of Management and Budget at 703-324-2391 as well as on the County's Web site at:

www.fairfaxcounty.gov/dmb

Attachments: April 18, 2005 – FY 2006 Budget Mark-up Process

Board Motions – FY 2006 Budget and FY 2005 Third Quarter Review

Board Motions – Budget Guidelines for FY 2007

Recommended Actions – FY 2006 Capital Improvement Program

Attachments to FY 2006 Mark-up Motion

- FY 2006 Budget Proposal
- Board of Supervisors' Adjustments to the *FY 2005 Third Quarter Review*
- Summary of FY 2006 Add-On
- Summary of FY 2006 Consideration Items

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April 18, 2005
FY 2006 BUDGET MARKUP PROCESS

1. Approval of the *FY 2005 Third Quarter Review* and approval of the FY 2006 Budget as Advertised with Revenue and Administrative Adjustments included in the FY 2006 Add-On Package, and Approval of the Board Mark-Up Package 2
2. Budget Guidelines for Fiscal Year 2007 3
3. Approval of the FY 2006 – FY 2010 Capital Improvement Program (with future fiscal years to 2015) 7

Attachments to the FY 2006 Markup Motion include the FY 2006 Budget Proposal, Board of Supervisors' Adjustments to the *FY 2005 Third Quarter Review*, Summary of FY 2006 Add-on and Summary of FY 2006 Consideration Items.

BOARD MOTIONS

FY 2006 BUDGET and FY 2005 THIRD QUARTER REVIEW

- I move that the Board approve the *FY 2005 Third Quarter Review* as advertised with the amendments as included in the attached package, the FY 2006 revenue and administrative adjustments as identified in the FY 2006 Advertised Budget Plan and the FY 2006 Add-on memo dated April 6, 2005 and the adjustments to the FY 2006 budget as included in the attached package, and adjustments to the Managed Reserve based on the actions taken by the Board on the *FY 2005 Third Quarter Review* and the FY 2006 budget to maintain the reserve at two percent of total disbursements. These actions result in a balanced budget for FY 2006.
- I move Board Approval of Supplemental Appropriation Resolution AS05076 and Amendment to the Fiscal Planning Resolution AS05901 which includes the revenue, expenditure and transfer adjustments and grant awards and adjustments contained in the County and School's Third Quarter Review as advertised with the approved amendments included in the attached package and Supplemental Appropriation Resolution AS04094 which reflects final FY 2004 audit adjustments.

BOARD MOTIONS BUDGET GUIDELINES FISCAL YEAR 2007

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Monday April 18, 2005, I move Board approval of the following Budget Guidelines for FY 2007:

1. **The Board of Supervisors directs the County Executive to prepare a budget that will allow the Board to reduce the real estate tax rate further in FY 2007 if real estate tax assessments and other revenues increase significantly, as currently projected. The Board directs the County Executive to maximize homeowner real estate tax relief.**
2. Information on the FY 2007 revenue and economic outlook should be forwarded with a financial forecast to the Board for discussion. This financial forecast will provide the framework for the continued County-School discussion on the budget and will help identify resources available for Board priorities, including tax relief. The Board of Supervisors, the School Board, and staff from both the County and Fairfax County Public Schools shall continue to work together to:
 - Identify and implement strategies to achieve and maintain excellent quality for County and School services,
 - Limit future spending growth, and
 - Reduce the impact of the rising real estate tax share of the budget for residential taxpayers.

As a result of this work and consistent with the direction to limit future budget growth, the Board directs the County Executive to develop a budget for Fiscal Year 2007 that limits increases to what is needed to accommodate growth and cost factors, and clearly identifies funding requirements driven by state and/or federal mandates and major County initiatives. In addition, the Board directs that increases in the transfer to the School Operating Fund also be contained within the same parameters as the General County Budget. Funding requirements beyond this increase will be identified and discussed in terms of initiatives to be undertaken if funding is available. Specific direction on targeted budget growth rates should be provided to County staff and the School Board by the August 2005 Board of Supervisors meeting.

3. The Board directs that the County Budget presentation continue to focus on Board priorities and County Vision Elements. The County Executive and County staff will also provide contextual information regarding the growth in the budget, including but not limited to population growth, market forces impacting the budget, demographic changes and other primary drivers for growth. In addition, the presentation of the budget should include a clear identification of the resources and new initiatives targeted for seniors, a rapidly growing group in our population.

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4. In order to avoid structural imbalances between County resources and requirements, resources should be allocated with consideration for the continued availability of these funds:
 - Non-recurring funds will be directed toward non-recurring uses.
 - Only recurring resources may be targeted toward recurring expenses.
 - The County's policy concerning the utilization of recurring and non-recurring funds should be followed by the School Board.
5. Any available balances materializing at the Carryover and Third Quarter Reviews that are not required to support County expenditures of a critical nature or to address the Board's policy on the Revenue Stabilization Fund should be held in reserve to offset future requirements or to address one-time requirements such as unfunded capital paydown projects and equipment replacement since adequate funds are not available in the annual budget process. Funding for paydown is necessary to meet capital renewal, streetlight, trail and sidewalk funding, among other things, as well as to reduce reliance on debt service. **In addition, balances at Carryover resulting from resources that are recurring should be reviewed to address further senior and disabled persons' tax relief.**
6. The Board accepts and approves the County Executive's recommendation that the value of one penny of the real estate tax be dedicated on an annual basis to stormwater management projects. The Board feels that the allocation of the equivalent of \$0.01 on the real estate tax rate is the most efficient, effective and immediate funding source available for this critical program. Other funding approaches may be appropriate and are not to be ruled out for future consideration. County staff is directed to focus on implementation of the stormwater management program. As such and in order to maximize the impact of the stormwater management program, staff is directed to identify a plan and provide it to the Board on June 20, 2005 with a spending plan for the first year of funding which focuses the majority of the funds on implementing stormwater improvements projects.
7. The Board directs the ongoing allocation of funding from the Athletic Services Application Fee revenue for enhanced maintenance and the initiation of an artificial turf program. This will represent an ongoing maintenance of effort for maintaining and enhancing athletic fields.
8. The Board directs the following reviews of County programs:

AFFORDABLE HOUSING PRESERVATION INITIATIVES

The County Executive is directed to identify an allocation process before the Board's fall recess, to be approved by the Board of Supervisors, to prioritize and monitor affordable housing preservation initiatives funded through the annual designation of the value of one penny on the real estate tax rate. This process should be designed to quickly and significantly impact the availability of affordable housing in the County within established criteria.

An initial amount of \$17.9 million is included in a new County fund, Housing Flexibility Fund, in the FY 2006 budget for this purpose.

PUBLIC SAFETY AND TRANSPORTATION OPERATIONS CENTER

County staff is directed to prepare a complete briefing to the Board on the new center including a timeframe for construction, how the center will be configured, what agencies and organizations will occupy the space, the total project costs, and changes to the plan since its origination prior to the execution of the master development agreement. A date for this meeting will be set quickly and will be provided to the Board of Supervisors within the next two weeks.

YOUNG PEOPLE CONCERNED ABOUT GANGS

County staff from the Department of Community and Recreation Services will work with the County's Gang Prevention Coordinator, Board offices, representatives of Young People Concerned about Gangs, and others to identify and implement strategies designed to promote gang prevention activities targeted to the Latino population including identification of after-school activities, homework assistance, sports, and arts and crafts activities at locations near the population being served.

COMPENSATION

In the area of compensation, the Board directs the County Executive to review and make recommendations on improvements to the County's compensation program. These reviews should be completed and recommendations made in time for their incorporation into the FY 2007 budget.

Specifically:

Regarding Market-Based Compensation

- The Board's policy as it relates to compensation is that pay will remain market-based and adjustments to pay shall be based on market factors, **not pay parity** among public safety agencies or other County departments or agencies. However, in cases where evidence of a negative impact on recruitment and/or retention for a specific agency or department can be supported by data, this information, in conjunction with market data, should be provided to the County Executive and the Board of Supervisors for consideration and decision. The Board directs that the County Executive conduct the annual market rate study and benchmark key County positions, (to include police citizen aide positions), to the appropriate local and regional employment markets.

Regarding Public Safety Pay Plans

- The Board directs staff to undertake a comprehensive review of the public safety pay plans. As a result of adjustments made over the last several years, pay grades within the pay plans are compressed, making individual position class adjustments based on the market difficult. The compression between pay grades also impacts promotion opportunities and recruitment. This review should be staffed by the chiefs and staff of each public safety department and the Departments of Human Resources and Management and Budget.

Regarding the Pay for Performance Program

- The Board continues to support the concept of the pay for performance system and considers the currently established distinctions in pay between high performing and lower performing employees as a valuable component of the pay for performance system. No consideration will be given at this point in time to returning to a system of annual cost-of-living adjustments that effectively grant employees with varying performance levels the same annual increase. The annual market review addresses the competitiveness of the salary scales and should continue as designed. However, a comprehensive review of the performance rating **terminology** shall be undertaken to provide more clarity regarding an employee's performance, and included as changes, if appropriate, to the pay for performance system in FY 2007. This review should include staff identified by the County Executive and representatives of the Employee Advisory Council.

Regarding Overtime Compensation

- The Board directs staff to review current overtime compensation policies in County departments, including public safety agencies, and identification of strategies to control and limit reliance on overtime to provide appropriate staffing.

Regarding Competitive Pay for State Magistrates, Probation Officer Positions and District Court employees

- The Board directs staff to include the issue of inadequate pay for the magistrates, probation officers and District Court employees in the 2006 legislative package. This action is in recognition of the fact that these are State positions and it is the State's responsibility to fund pay adjustments that are competitive for the region for these positions.

Regarding Health Department Employee VRS Retirement Issues

- The Board directs staff to review the various issues and requests of the employees in the Health Department who are under the Virginia Retirement System (VRS). The review should be provided to the Board for consideration and decision, and shall include alternatives and their associated impacts as quickly as possible. Resolution of some issues may be appropriate as part of the *FY 2005 Carryover Review* and no later than the FY 2007 budget.

A Copy - Teste:

Nancy Vehrs,
Clerk to the Board of Supervisors

RECOMMENDED ACTIONS

FY 2006 CAPITAL IMPROVEMENT PROGRAM

I move that the Board approve the FY 2006 – FY 2010 Capital Improvement Program (with future fiscal years to 2015) with the following amendments:

- Adjust the construction schedule for the Burke Centre Community Library to reflect no delay associated with the Burke VRE interim parking project. The completion schedule would be similar to the proposed Oakton Community Library schedule.
- Explore the concept of Board members' offices being located in libraries or other public facilities in addition to police stations. Opportunities may exist during renovations of libraries and other public facilities, or new construction projects, which will provide sufficient space for Board member offices, enhance public access, better utilize public facility space, and provide room for expansion at the district stations.
- Make all necessary adjustments to reflect actions taken during the Board's decision on the FY 2006 Adopted Budget Plan that impact the CIP.

FY 2006 BUDGET PROPOSAL

REDUCE THE REAL ESTATE TAX RATE BY AN ADDITIONAL 3 CENTS FOR A TOTAL TAX RATE REDUCTION OF 13 CENTS IN FY 2006	\$53,721,540
ALLOCATE THE VALUE OF A PENNY FOR AFFORDABLE HOUSING AS RECOMMENDED BY THE COUNTY EXECUTIVE AND THE AFFORDABLE HOUSING PRESERVATION ACTION COMMITTEE	\$17,900,000
ADDITIONAL REQUIREMENTS	\$71,621,540

TO BE FUNDED BY:

Revenue Diversification \$35,814,361

Funding identified by the Board of Supervisors for real estate tax relief

FY 2004 Carryover Review Balance - \$8,083,929

FY 2005 impact of increased cigarette and recordation taxes - \$15,125,231

FY 2006 impact of increased cigarette and recordation taxes - \$12,605,201

Reductions \$23,804,218

Reductions to the County Executive's FY 2006 Proposal \$11,731,539

Affordable Housing \$2,000,000

Eliminate placeholder funding included in the FY 2006 Advertised Budget Plan as a result of the dedication of the equivalent of \$0.01 on the real estate tax rate to affordable housing discussed above.

Capital Paydown \$2,500,000

Defer or eliminate funding for maintenance and transportation projects including Project 003099, Miscellaneous Building Repair (by \$200,000 to \$300,000), Project 009136, Parking Lot Resurfacing (by \$300,000 to \$100,000), Project 009444, Laurel Hill Development (by \$500,000 to \$5,126,747) and Project 009400, Land Acquisition Reserve (by \$500,000 to \$500,000). Funding for these projects may be available at the *FY 2005 Carryover Review*. In addition, as a result of the dedication of the equivalent of \$0.01 on the real estate tax rate for Stormwater, Project Z00022, Municipal Separate Storm Sewer System is reduced by \$1,000,000 to \$1,420,000.

EDA California Representative \$100,000

Eliminate funding for a California representative to promote Fairfax County based on the model that the FCEDA has developed for its overseas offices. The objectives of the representative were to generate new jobs and investment in Fairfax County, thus enhancing the real estate tax base and allowing the Board to minimize the burden of public service costs on residents. Should the EDA determine that the California representative is a priority, reallocation of existing funding must be identified.

Training and Exercise Officer \$92,242

Eliminate 1/1.0 SYE Security Analyst position proposed to manage the County's emergency training and exercise program. Existing staff within the Office of Emergency Management will need to continue to provide this function along with other responsibilities.

Local Cash Match \$1,000,000

Reduce the increase in Local Cash Match requirements in the Department of Transportation for projects through the Congestion Mitigation Air Quality (CMAQ) program, Job Access/Reverse Commute (JARC) program, and Federal Appropriations and direct staff to explore other available sources of matching funds or to reprioritize available funding. No detrimental impact on transportation grants is anticipated from this action.

Department of Vehicle Services funding \$500,000

Reduce funding for Vehicle Services and direct the agency to continue to identify operating efficiencies including continued evaluation of underutilized vehicles.

Attachment to FY 2006 Mark-up Motion

Facilities Management Department position \$99,297
Eliminate 1/1.0 SYE locksmith position intended to increase FMD's preventive and regular maintenance capacity. Elimination of the position will require continued reliance on contracting for emergency response and will require prioritization of work to critical repairs only as well as continued customer service delays.

IT Projects \$3,640,000
Defer funding in Project IT0011, Enterprise Document Management and Imaging, specifically for the continued transition to document management technology within the Department of Family Services (by \$712,000), for the second phase of electronic record management within the Office for Children (by \$928,000) and for the initiation of document management system to implement the electronic imaging and storage of approximately 3 million documents from the existing hard copy property files in the Department of Planning and Zoning, Zoning Permit Review Branch (by \$2,000,000). In lieu of deferring these projects, agency or IT staffs may re-prioritize within their budgets.

Dental Insurance \$800,000
Reduce funding for the County's contribution from the estimate included in the FY 2006 Advertised Budget Plan based on actual enrollment.

Metro Contribution \$1,000,000
Reduce the General Fund contribution to Metro based on revised estimates for gas tax revenue for FY 2006. No reduction in the County's commitment to Metro results from this adjustment.

Reductions to the County Executive's FY 2005 Third Quarter Package \$12,072,679
(see Attachment 1)

Worker's Compensation and Self Insurance \$1,948,408
Defer funding anticipated to be required for claims and settlements until the *FY 2005 Carryover Review*.

Fire Apparatus Funding \$2,000,000
Defer until the *FY 2005 Carryover Review* and/or utilize additional FY 2005 balances identified by the agency at year-end.

Oakton Book Buy \$3,485,958
Defer funding for the Oakton book buy to the *FY 2005 Carryover Review*. This action should not negatively impact the opening of the facility.

Feasibility Study for 311 Call Center \$500,000
Defer until the *FY 2005 Carryover Review*.

Capital Renewal and Security Enhancements \$500,000
Reduce from \$1,817,000 to \$1,317,000 and defer funding/re-evaluate requirements for Security Enhancements as part of the *FY 2005 Carryover Review*.

Public Safety Feasibility Studies \$312,500
Defer until the *FY 2005 Carryover Review*.

Stonecroft Boulevard Widening \$500,000
Defer until the *FY 2005 Carryover Review*.

Joint Operations Center \$411,025
Eliminate funding.

Revenue Stabilization Fund \$2,414,788
Reduce transfer from entire balance to 60% of the \$6.35 million identified in the *FY 2005 Third Quarter Review* with the commitment to continue to fund the reserve as balances materialize. Current Board policy calls for a minimum allocation of 40% of available balances. The Board reaffirms its commitment to reaching the goal of a revenue stabilization fund of 3 percent of General Fund Disbursements as quickly as possible.

FY 2006 Revenue \$19,532,700

Details are provided in the FY 2006 Add-on Package and an additional \$4.5 million associated with higher investment income as a result of the latest information on interest rates.

FY 2006 Expenditure Adjustments as detailed in Add-on **(\$4,168,193)**

Details included in Attachment 2. In addition it should be noted that the Board directs the County Executive to identify 21 positions in the FY 2006 Advertised Budget Plan for reduction and report to the Board at the Carryover Review with any significant programmatic impacts.

Additional Funding Requirements **(\$4,224,666)**

Funding for the Board Consideration items as per Attachment 3 which includes 44/35.59 SYE positions.

Subtotal **\$70,758,420**

Adjustments to Managed Reserve for FY 2005/FY 2006 adjustments **\$863,120**

TOTAL AVAILABLE **\$71,621,540**
BALANCE **\$0**

BOARD OF SUPERVISORS' ADJUSTMENTS TO THE
FY 2005 THIRD QUARTER REVIEW

FY 2005 THIRD QUARTER ADJUSTMENTS	ORIGINAL TQ PROPOSAL	BUDGET CHAIR'S PROPOSAL	SAVINGS	EXPLANATION
Office of Partnerships Adjustments - Annandale CLCP and NVFS contractual agreement	\$120,440	\$120,440	No Change	Required to support scheduled opening of the Annandale CLC in Spring 2005 and to support contract related shortfalls for NVFS
OPEB Study	\$51,000	\$51,000	No Change	Required by the agency prior to year-end to pay the cost of the consultant for the calculation of the impact of GASB 45
Emergency Repairs and Lease Costs	\$304,351	\$304,351	No Change	Emergency repairs at the Massey building and full year cost of lease renewals. Net recurring cost included in the FY 2006 Add-on package.
Oakton Book Buy	\$3,485,958	\$0	(\$3,485,958)	Delay funding for acquisition of opening collection materials for the new Oakton Community Library until the <i>FY 2005 Carryover Review</i> . Note: Will also need to fund an additional \$3.5 million for the Burke Community Library.
Child Care Assistance and Referral (CCAR)	\$335,803	\$335,803	No Change	Required to fully fund the state mandated 13.2 percent market rate increase. Net recurring cost included in the FY 2006 Add- on package.
Court-Appointed Attorneys	\$58,500	\$58,500	No Change	Required to fund court-appointed attorney fees for those defendants charged under County statutes. Increase of 42 percent in number of cases requiring court-appointed attorneys.
Worker's Compensation and Self Insurance Requirements	\$3,527,596	\$1,579,188	(\$1,948,408)	Defer funding anticipated to be required for claims and settlements until the <i>FY 2005 Carryover Review</i> .
Fire Apparatus Funding	\$2,000,000	\$0	(\$2,000,000)	Revisit as part of the <i>FY 2005 Carryover Review</i> .
Feasibility Study for 311 Call Center	\$500,000	\$0	(\$500,000)	Revisit as part of the <i>FY 2005 Carryover Review</i> .
Dolley Madison Community Library Design	\$300,000	\$300,000	No Change	Funding required for scope and design work associated with the possible relocation of the Dranesville District Supervisor's office within the planned renovation of the Dolley Madison Community Library. The design phase is scheduled to begin in July 2005.
Public Safety Feasibility Studies	\$625,000	\$312,500	(\$312,500)	Reduce funding by 50%. Defer remaining funding until the <i>FY 2005 Carryover Review</i> . Note: Funding will be required to begin study work in advance of the Fall 2006 Bond Referendum.
Capital Renewal and Security Enhancements	\$1,817,000	\$1,317,000	(\$500,000)	Defer funding/re-evaluation requirements for security enhancements as part of the <i>FY 2005 Carryover Review</i> . Remaining funding required at Third Quarter for maintenance requirements at the Willard Center and Board of Supervisors offices and an animal shelter crematorium.
Land Acquisition Reserve	\$3,000,000	\$3,000,000	No Change	Required for anticipated land acquisition.
Stonecroft Boulevard Widening	\$500,000	\$0	(\$500,000)	Revisit as part of the <i>FY 2005 Carryover Review</i> .
Joint Operations Center	\$411,025	\$0	(\$411,025)	Eliminate funding
Developer Defaults	\$80,500	\$80,500	No Change	Funding required to complete the Meadowmere developer default project and enable the roadway to be accepted into the VDOT system.

Attachment to FY 2006 Mark-up Motion

FY 2005 THIRD QUARTER ADJUSTMENTS	ORIGINAL TQ PROPOSAL	BUDGET CHAIR'S PROPOSAL	SAVINGS	EXPLANATION
Document Services Division	\$537,000	\$537,000	No Change	Funding to offset declining revenues.
Revenue Stabilization Fund Transfer	\$6,223,682	\$3,808,894	(\$2,414,788)	Reduce transfer from entire balance to 60% of the \$6.35 million identified in the <i>FY 2005 Third Quarter Review</i> with the commitment to continue to fund the reserve as balances materialize. Note: With the revised transfer and adjustments noted above, the fund balance will be \$46.8 million or 1.64 percent of General Fund Disbursements and 54.5 percent of the target balance.
<i>Subtotal Administrative Adjustments with net impact</i>	\$23,877,855	\$11,805,176	(\$12,072,679)	
Managed Reserve/Other Reserve Adjustments	\$931,602	\$690,148	(\$241,454)	
TOTAL THIRD QUARTER ADJUSTMENTS with Managed Reserve	\$24,809,457	\$12,495,324	(\$12,314,133)	

SUMMARY OF FY 2006 ADD-ON

<u>FY 2006 GENERAL FUND/GENERAL FUND SUPPORTED ADD-ON</u>	<u>Impact on Balance</u>
Administrative Adjustments - General Fund Impact	
1. Office of Partnerships - net adjustment for Office of Partnerships to provide the full-year cost of limited-term staff support for the new Annandale Terrace Computer Learning Center Program (CLCP), to support a contractual arrangement with Northern Virginia Family Services to provide case management and other services and to support the Medical Care for Children Partnership (MCCP) and Adult Health Program (AHP) responsibilities. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> .	(\$167,928)
2. Lease Costs - net adjustment for the Facilities Management Department due contractual lease costs based on the full-year cost of lease renewals. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> .	(\$310,253)
3. Laurel Hill/Adaptive Reuse Initiative - net adjustment for Department of Planning and Zoning of \$188,683 and 1/1.0 SYE new position as directed by the Board of Supervisors on February 7, 2005.	1 / 1.00 (\$188,683)
4. Photo Red Light Program - Elimination of the Photo Red Light Program - Net adjustment based on expenditure reduction of \$1,435,102 offset by a loss of revenue of \$825,172 for a net savings to the County of \$609,930 and reductions of 2/2.0 SYE positions in the Department of Transportation and 5/5.0 SYE positions in the Police Department. These positions have been recommended to be transferred to support the Jail Diversion program.	(7) / (7.00) \$609,930
5. CCAR Market Rate Increase - Net cost of \$1,250,711 due to an increase of \$2,501,422 in expenditure authority required for the Child Care Assistance and Referral (CCAR) program in order to fully fund the state mandated 13.2 percent market rate increase offset by a 50 percent revenue match from the state. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> .	(\$1,250,711)
6. Hypothermia Task Force - \$51,540 is required to implement a more comprehensive approach to address the County's hypothermia issue as outlined by the Hypothermia Taskforce. The funding would support a hypothermia program from mid-October to mid-April, with shelters and transportation to shelters available from December 1st through March 31st.	(\$51,540)
7. Clinic Room Aide Substitutes - net adjustment of \$115,000 is required to provide additional limited term funding to support the Health Department's Clinic Room Aide substitute pool so that the agency is able to provide improved CRA substitute coverage for the 187 Fairfax County Public School (FCPS) sites.	(\$115,000)
8. Intensive Supervision Program (ISP) - net adjustment to provide full year funding and 4/3.0 SYE positions for the Intensive Supervision Program (ISP) in the Juvenile and Domestic Relations District Court to support anti-gang activity. This adjustment is the result of the recent elimination of federal grant funding for this program. This adjustment was not included in the <u>FY 2006 Advertised Budget Plan</u> pending final notification of federal grant funding.	4 / 3.00 (\$194,008)

<u>FY 2006 GENERAL FUND/GENERAL FUND SUPPORTED ADD-ON</u>			<u>Impact on Balance</u>
9. Various Agencies: FLSA Implementation - net adjustment of \$2,500,000 for various agencies to implement Senate Bill 873, which was adopted this year by the General Assembly. This bill specifically adds law enforcement personnel, including Police Department and Sheriff's Department personnel, to Va. Code Ann. § 9.1-700 through 704 (LNMB 2004). These code provisions were originally enacted in 2001 to guarantee overtime pay to eligible fire protection personnel without regard to whether the employees actually work so long as they are in pay status. In addition it is recommended that the provisions be applied to all County employees (including non-public safety) consistent with their FLSA eligibility.			(\$2,500,000)
10. Various Agencies: Market Study Results - net adjustment of \$0 based on market study of employee recruitment and retention issues.			\$0
Administrative Adjustments - General Fund Supported Impact			
11. Fund 106, CSB: Jail Diversion - total cost of \$779,000. The \$779,000 is comprised of \$683,276 in Personnel Services (includes fringe benefits) and \$95,724 in Operating Expenses, and will be fully absorbed by the Fairfax-Falls Church Community Services Board, Office of the Sheriff, and the Police Department in FY 2006. An increase of 7/7.0 SYE merit positions and two vehicles from the County's vehicle replacement surplus pool is required to support the implementation of a Jail Diversion program. The Jail Diversion program is expected to successfully divert 200 mentally ill persons and 1,000 persons drunk in public from arrest annually, with individuals instead being transported to hospitals, home, shelters, or detoxification centers.	7 /	7.00	\$0
Total FY 2006 General Fund Add-On Administrative Adjustments			5 / 4.00 (\$4,168,193)

Attachment to FY 2006 Mark-up Motion

SUMMARY OF FY 2006 CONSIDERATION ITEMS

#	Consideration Item	Requested By	Positions	Net Cost		Budget Proposal	
				Recurring	Non-Recurring	Positions	Recommended
1.	Funding for a Community Connections Initiative - Implement as a pilot utilizing limited term staff. In addition, the Board directs staff to return prior to Carryover with a corresponding plan to address limiting walk-on use of all non-Park fields.	Gross	3 / 3.0	\$217,732		0 / 0.0	\$217,732
2.	Funding to supplement 50 percent of the base pay for magistrates - Fund 25 percent supplement. Include the issue of appropriate salaries for Magistrates in the 2006 General Assembly package.	Hyland	0 / 0.0	\$523,698		0 / 0.0	\$261,849
3.	Vienna Transit Station Capacity Study - Reimbursement anticipated from future proffers.	Smyth/Kauffman	0 / 0.0		\$100,000	0 / 0.0	\$100,000
4.	Additional funding for the Consolidated Community Funding Pool	Connolly	0 / 0.0	\$376,494		0 / 0.0	\$376,494
5.	Medically-Fragile Homeless Care Program - Staff resources are to be provided using limited term or contractual staff.	Bulova	2 / 2.0	\$374,285		0 / 0.0	\$374,285
6.	Funding for 50 additional Light Detection and Ranging (LIDAR) units - Direct agency to identify and utilize alternative sources of funding to purchase at least 25 LIDAR units during FY 2006.	McConnell	0 / 0.0		\$190,300	0 / 0.0	\$0
7.	Funding for transportation to the Road Dawg and Rec-Pac/Quest Program in each district - Funding for transportation to the existing Road Dawg program is included and staff is directed to identify options and funding requirements for expansion of this program in the next year.	Smyth/Bulova	0 / 0.0	\$60,000		0 / 0.0	\$20,000
8.	Contribution to the Greater Reston Arts Center (GRACE) Arts and Cultural Center at Reston Towne Center based on proffer requirements.	Hudgins	0 / 0.0		\$50,000	0 / 0.0	\$50,000
9.	Implementation of the Natural Resource Management Plan	Connolly	1 / 1.0	\$320,135		0 / 0.0	\$0
10.	Funding for DWI sobriety check points - Direct the Police Department, in their existing overtime budget, to accommodate necessary sobriety checks.	Kauffman	0 / 0.0	\$46,440		0 / 0.0	\$0
11.	Implementation of a computer-aided transportation modeling system to update the County's Transportation Plan - Review in conjunction with other IT development projects in Fund 104 as part of the FY 2007 budget development process.	Kauffman	1 / 1.0	\$350,000		0 / 0.0	\$0
12.	Safety Driving Manual for Teens - Letter to be sent from the Chairman to VDOT.	McConnell	0 / 0.0		\$10,000	0 / 0.0	\$0
13.	Clifton community room management	McConnell	0 / 0.0	\$20,000		0 / 0.0	\$20,000
14.	Pay parity for uniformed Police Citizen Aides	Hyland	0 / 0.0	\$143,000		0 / 0.0	\$0
15.	Automated External Defibrillators (AEDs) in County and School buildings, the costs of which are intended to be shared by the County and Schools.	BOS	1 / 1.0		\$2,100,000	1 / 1.0	\$1,050,000

Attachment to FY 2006 Mark-up Motion

#	Consideration Item	Requested By	Positions		Net Cost		Budget Proposal		
					Recurring	Non-Recurring	Positions	Recommended	
16.	Pay Parity for Probation Officers - Include the issue of appropriate salaries for Probation Officers in the 2006 General Assembly package.	Hyland	0 /	0.0	\$250,000		0 /	0.0	\$0
17.	Enhanced standard maintenance program - Allocates all funding from the Athletic Services Application Fee for enhanced maintenance, including initiation of an artificial turf program, with the intention that this enhanced maintenance level is ongoing.	Connolly	0 /	0.0	\$907,869		0 /	0.0	\$907,869
18.	Community Business Partnership	Hudgins	0 /	0.0	\$90,000		0 /	0.0	\$0
19.	Additional funding for 13 School Age Child Care (SACC) classrooms (\$2,720,705 cost is partially offset by \$2,040,529 in fee revenue)	Hudgins	39 /	31.59	\$680,176		39 /	31.59	\$680,176
20.	Fund the expansion of Club 78 into three additional middle schools (\$665,046 cost is partially offset by fee revenue of \$498,785). Note, based on the age of the children being served and the type of programming required, the Board directs that the Club 78 function be transferred to the Department of Community and Recreation Services.	Hudgins	12 /	9.72	\$166,261		4 /	3.00	\$166,261
21.	Provide administrative support in the Department of Systems Management for Human Services (DSMHS) for community building, domestic violence and prevention initiatives	Hudgins	2 /	2.0	\$120,000		0 /	0.0	\$0
22.	Funding for the Child Care Assistance and Referral (CCAR) program of \$424,659. This adjustment is the net unfunded of the \$1,675,370 total request. Of this amount, \$1,250,711 is included in Add-On as an Administrative Adjustment to fund the market rate adjustment for the CCAR program. The balance of \$424,659 is to support the enrollment of additional children in CCAR.	Hudgins	0 /	0.0	\$424,659		0 /	0.0	\$0
23.	Infant and Toddler Health Care (\$241,426 cost of the 4 positions is fully offset by Medicaid and increased state funds)	Hudgins	4 /	4.0	\$0		0 /	0.0	\$0
24.	Case management for special education graduates (\$117,890 cost is fully funded by Medicaid)	Hudgins	2 /	2.0	\$0		0 /	0.0	\$0
25.	Community mental health care (\$214,120 cost of the 3 positions is fully offset by Medicaid)	Hudgins	3 /	3.0	\$0		0 /	0.0	\$0
TOTAL GENERAL FUND IMPACT			70 /	60.31	\$5,070,749	\$2,450,300	44 /	35.59	\$4,224,666